
Department of Local Affairs



Strengthening Colorado Communities

STATE HOUSING BOARD MEETING
Department of Local Affairs
Division of Housing
1313 Sherman St., Denver, CO, Room 318
Tuesday, May 12, 2009

AGENDA

1:00 p.m.	Convene SHB Meeting - Approval of Minutes	Theo Gregory
	Director's Comments	Kathi Williams

Application Presentations

<u>Time</u>	<u>Project #</u>	<u>Project Name and Applicant</u>	<u>Presenters</u>
1:15 p.m.	09-065	Rocky Mountain Community Land Trust Homeownership Program	Rick Hanger & Bob Koenig

Approval Process

1:30 p.m.	09-065
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Other Business

1:45 p.m.	Update on Codes Rule Making	Steve Bernia
2:00 p.m.	Update on Funding Cycles Policy	Rick Hanger

Reasonable accommodation will be provided upon request for persons with disabilities. If you are a person with a disability who requires an accommodation to participate in this public meeting, please notify Trang Van at (303) 866-5154 by May 11, 2009.

cc:	Susan Kirkpatrick	CHATS	Teresa Duran	Kathi Williams
	Rick Hanger	Lynn Shine	Steve Bernia	State Housing Board Members

STATE HOUSING BOARD MINUTES

Colorado Division of Housing
1313 Sherman St., Denver, CO, Room 318
Tuesday, April 14, 2009

- BOARD MEMBERS PRESENT:** Theo Gregory, Sally Hatcher, Mike Rosser, Karen Weitkunat and Suzanne Anarde via telephone.
- BOARD MEMBERS ABSENT:** Gene Lucero
- DOH STAFF PRESENT:** Susan Kirkpatrick, Kathi Williams, Rick Hanger, Denise Selders, Trang Van, Stephanie Troller, Shawn Wright, Melissa Stirdivant and Lynn Shine.
- CALL TO ORDER:** Meeting was called to order by Theo Gregory at 1:00 p.m.
- APPROVAL OF MINUTES:** Minutes from the March meeting were approved.

DIRECTOR'S COMMENTS

The Division of Local Government offered two of our employees' new positions and the Division of Housing has gained three new Asset Managers.

Director Williams provided an update on Housing in the Legislative Session.

- Private Activity Bonds
 - The purpose of the bill was to allow the Attorney General to set fees that were more equitable.
 - This bill has been passed and signed by the Governor.
- Manufactured Housing and Codes
 - Last year, there was some reorganization with the Manufactured Housing and Codes division. However, there were some inconsistencies within those statutes.
 - There was clean up of those inconsistencies this year.
 - This bill was passed and signed by the Governor.
- Housing Development Grant – State General Fund
 - The State Statute says that Grantees can not contract anything prior to mutual execution of a contract, but all funds must be expended by June 30th of the following year.
 - This has become a real problem with construction projects having to be done in this manner.
 - The legislature has given CDOH the right to rollover those funds for one year. Commitments will certainly need to be made within a year, but now our Grantees have more time to get those funds spent.
 - The second piece to this legislation was to allow CDOH to use the General Fund for foreclosure prevention for reports that may be useful to the Board such as Needs

Assessment.

- The legislation has put a \$200,000 cap on the amount that could be spent on reports a year.
- This has passed all committees: The House and The Senate. It is now waiting in the House of Representatives to concur with the amendments that were made in the Senate.

The State has significant budget issues that need to be resolved. In order to solve the budget issues, the State swept the cash funds that Manufactured Housing and Codes Division along with the Private Activity Bonds activities. In addition to that, CDOH had a State Revolving Loan Fund that had received funds early on and built up to about \$1.4 million over time. This is the fund that we use to make low interest loans to our stakeholders. The Legislature needed these funds and so the balance on this particular account has been swept as well. \$20,000 was left in that account for an obligation that CDOH has made, however, it is still pending a mutually executed contract.

CDOH has been working on two new allocations that are coming to housing – Neighborhood Stabilization Program (NSP) and Homeless Prevention and Rapid Re-Housing Program (HPRP).

CDOH has continued meeting with the NSP consortium on a weekly basis and there will be NSP projects being presented at this meeting.

For HPRP, a plan will need to be submitted to HUD by May 18th. CDOH has been meeting with stakeholders, one of which was held last week with the Governor's Community Interagency Council on Homelessness and several other State agencies to see if there are other opportunities to collaborate on some of the funding streams to be more efficient.

Colorado has been selected to receive extra scrutiny over the expenditures of the funds coming through the American Recovery and Reinvestment Act (ARRA). CDOH had a meeting with the Governmental Accounting Office to see exactly what type of reporting is expected, how often and what types of systems should be in place to track the funds being utilized.

APPLICATIONS REVIEWED IN APRIL

Imagine!
Longmont SmartHome Group Home

Project Number: 09-052

Project Manager & Address: Mary Anderies
Housing Consultant
Anderies Consulting
4548 West 33rd Avenue
Denver, CO 80212
Telephone: 303-433-4401
Fax: 303-443-6845
Email: Mary@AnderiesConsulting.com

Project Address: 1608 Otis Street, Longmont, CO 80501

Project Description: Developmental Disabilities Center, d/b/a Imagine!, a 501 (c)(3) non-profit corporation and the Community Centered Board serving Boulder and Broomfield Counties, requests a grant in the amount of \$100,000 to assist with the construction costs of its HUD 811 SmartHome Group Home for very low-income individuals (below 50% AMI) with physical, cognitive, and developmental disabilities at 1608 Otis Street in Longmont, Boulder County. Imagine! Housing Corp. II (a non-profit subsidiary corporation) will operate the property. The home will be a 3,500 sq. ft. fully accessible home and will provide 6 consumer bedrooms and one bedroom for overnight staff. Residents will contribute 30% of their income towards rent and HUD will provide ongoing rental assistance for the balance of the rent amount. The home will showcase cutting-edge technology for enhancing livability for this special needs population.

Staff Recommendation: Partial funding of \$90,000 to match the local entitlement community financial contribution

Date of Meeting: April 14, 2009

Anarde	Full Funding per Staff Recommendation	Lucero	Absent
Gregory	Full Funding per Staff Recommendation	Rosser	Full Funding per Staff Recommendation
Hatcher	Full Funding	Weitkunat	Full Funding per Staff Recommendation

The Board approved Full Funding per Staff Recommendation for this project.

NEIGHBORHOOD STABILIZATION PROGRAM

As the NSP proposals were presented, the State Housing Board members did not feel it was appropriate to vote on the activities and projects proposed as it was subject to feasibility at the time of contract execution. It was agreed upon that the voting of the NSP proposals would essentially be the funding amount and the agency in which the funds would be granted to. This would then leave the flexibility of the projects and activities proposed to be at the discretion of CDOH to determine the eligibility components once project sites are determined to be viable.

**City of Pueblo
Neighborhood Stabilization Program**

Project Number: 09-303

Project Manager & Address: Ms. Ada Clark
City of Pueblo
Housing and Citizen Services
2631 East 4th Street
Pueblo, Colorado 81001
(719) 553-2845 telephone
(719) 553-2855 fax
adaclark@pueblo.us

Overall Application Description:

The City of Pueblo requests a Neighborhood Stabilization Program (NSP) Tier 1 grant in the amount of \$2,857,610 for two (2) separate projects including the following;

- Multi-family Acquisition/Rehabilitation Project
- Purchase, Rehabilitate and Resale Homeownership Program.

The City of Pueblo is requesting a \$1,834,059 NSP grant to assist in the purchase and rehabilitation of three (3) multi-family buildings in the 800 block of East Fourth Street, Pueblo, Colorado for use as permanent affordable rental housing for Veterans at 50% AMI or below (rent level set at 25% AMI). The properties are currently abandoned and vacant and are in need of extensive rehabilitation. The City of Pueblo will complete the acquisition and rehabilitation and then convey the ownership of this affordable rental project to Posada, Inc. Posada Inc. is a Community Housing Development Organization (CHDO) that currently owns and manages a number of affordable rental projects. In addition, Posada, Inc. will provide a range of services to these Veteran households including access to medical and dental assistance, mental health treatment, and job training programs.

The City of Pueblo is requesting a \$1,057,818 NSP grant to assist in the purchase and redevelopment of five (5) blighted homes for households at 120% AMI and below and the purchase (for use by Habitat for Humanity), rehabilitation and resale of three (3) homes for households at 120% AMI and below for a total of eight (8) homes. The properties are located in the area of greatest need census tracts and will be purchased for an average discount of at least 15% from appraised value. The City of Pueblo will directly operate this program and use a variety of local professionals (appraisers, real estate agents, title companies, contractors) to complete this program. A minimum of eight (8) hours of home buyer counseling will be provided to the potential home buyers through Catholic Charities and Neighborhood Housing Services. Homes will be rehabilitated to meet current local code and Energy Star requirements and will be sold for no more than the cost of the purchase and rehabilitation. Down payment assistance will be provided by through Neighborhood Housing Services on an as needed basis.

Staff Recommendation: Full Funding

Date of Meeting: April 14, 2009

Anarde	NSP Funding to City of Pueblo	Lucero	Absent
Gregory	NSP Funding to City of Pueblo	Rosser	NSP Funding to City of Pueblo
Hatcher	NSP Funding to City of Pueblo	Weitkunat	NSP Funding to City of Pueblo

The Board approved NSP Funding to the City of Pueblo. The approval of the NSP funding means the approval of the allocation of funds to the specific organization and not necessarily by projects as those are subject to change based on viability.

**Douglas County
Neighborhood Stabilization Program**

Project Number: 09-305

Project Manager & Address: Ms. Jennifer Eby, Douglas County
Community Development Department
100 Third Street
Castle Rock, Colorado 80104
(303) 660-7460
jeby@douglas.co.us

Overall Application Description:

Douglas County requests a Neighborhood Stabilization Program (NSP) Tier 1 grant in the amount of \$2,635,661 for two (2) separate projects including the following;

- Land Bank Purchase Program
- Purchase, Rehabilitate and Resale Homeownership Program.
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Through a separate application, Douglas County, in mutual agreement with Arapahoe County, will request an additional \$1,000,000 for the Community Housing Development Corporation (CHDA) multi-family acquisition/rehabilitation project.

Douglas County is requesting a \$1,560,500 NSP grant to assist in the purchase and land banking of two (2) vacant, foreclosed residential properties located in Parker, Colorado. The anticipated purchase price is well below the required discount rates required of the NSP Program (estimated at 50 to 60% of appraised value). Douglas County will convey the ownership, property management, and redevelopment responsibilities of the vacant sites to the Douglas County Housing Partnership. The Douglas County Housing Partnership (DCHP) was established in March 2003 and is a multi-jurisdictional housing authority established by the jurisdictions of Castle Rock, Lone Tree and Parker and Douglas County and the local business community.

Ironstone Site

This foreclosed vacant eleven acre property is zoned for multi-family use and will be redeveloped for use as affordable rental housing. The property is located at the intersection of Morgan and Ironwood in Parker, Colorado. The redevelopment of this site will begin with programming and design in 2009 and construction in 2010 – 2011 with an estimated 204 rental housing units to be constructed on the site.

Upon award of NSP funds for this activity, the DCHP will initiate and RFP process to select a project developer. An initial 3rd party financial analysis has been completed for this site redevelopment that supports further project development.

Anthology Site

This foreclosed vacant 5+ acre property is zoned for townhome development and will be redeveloped for use as affordable for-sale housing. The property is located at the intersection French Creek and Motsenbocker Road in Parker, Colorado. The redevelopment of this site will occur within two to three years with an estimated total of fifty-two (52) affordable for-sale housing units will be constructed on the site.

Douglas County is requesting a \$1,027,500 NSP grant to assist in the purchase and resale of an estimated twenty-five (25) homes foreclosed homes for households at 120% AMI and below. The properties are located in the area of greatest need block groups and will be purchased for an average discount of at least 15% from appraised value. Douglas County will subcontract the responsibility to manage and delivery this project to the Douglas County Housing Partnership (DCHP). The Douglas County Housing Partnership is a current provider of a HUD-approved home buyer counseling program and operates a home buyer assistance programs. DCHP will utilize a variety of local professionals (appraisers, real estate agents, title companies, contractors) to complete this program. The program will use a shared equity model that provides up to 20% of the purchase price as a deferred second loan. A minimum of eight (8) hours of home buyer counseling will be provided to the potential home buyers through the DCHP. Purchased homes are expected to have minimal rehabilitation needs due to their age and upkeep. No program income is expected in the first several years of the program.

Staff Recommendation: Full Funding

Date of Meeting: April 14, 2009

Anarde	NSP Funding to Douglas County	Lucero	Absent
Gregory	NSP Funding to Douglas County	Rosser	NSP Funding to Douglas County
Hatcher	NSP Funding to Douglas County	Weitkunat	NSP Funding to Douglas County

The Board approved NSP Funding to Douglas County. The approval of the NSP funding means the approval of the allocation of funds to the specific organization and not necessarily by projects as those are subject to change based on viability.

**Jefferson County
Neighborhood Stabilization Program**

Project Number: 09-302

Project Manager & Address: Jacqueline Pickett
Director, Community Development
Jefferson County
100 Jefferson County Parkway, Suite 3250
Golden, CO 80419
303-271-8372
jpickett@co.jefferson.co.us

Overall Application Description and Budget:

Jefferson County requests a Neighborhood Stabilization Program (NSP) Tier I grant in the amount of \$6,010,553 for two (2) separate projects, including the following:

- Land Bank Purchase Program
- Purchase, Rehabilitation and Resale Homeownership Program.

Jefferson County is requesting a \$1,100,000 NSP grant to assist in the purchase and land banking of a vacant, multi-family residential property located in Golden, Colorado. At acquisition, Jefferson County will convey the ownership to the property to Jefferson County Housing Authority (JCHA). It is anticipated that redevelopment will occur within 2 to 4 years with an estimated 52 units of affordable rental housing for seniors, and JCHA will provide the development and property management responsibilities.

Jefferson County is requesting a \$4,910,553 NSP grant to assist in the purchase, rehabilitation and resale of 18-21 homes for households at 120% AMI and below. The properties are located in the census block groups of greatest need in Lakewood, Wheat Ridge and Arvada and will be purchased for an average discount of at least 15% from the appraised value. Homes will be rehabilitated to meet current local code and will use Energy Star appliances and upgrades and will be sold for no more than the cost of the purchase and rehabilitation.

Jefferson County will subcontract the responsibility to manage and deliver this project to Wheat Ridge 2020 and another sub-grantee as identified through the request for proposal (RFP) process. Sub-grantees may utilize a variety of local professionals (appraisers, real estate agents, title companies, contractors) to complete this activity. A minimum of eight (8) hours of home buyer counseling will be provided to the potential home buyers through this activity. Jefferson County has an existing partnership with Colorado Housing Assistance Corporation (CHAC) to provide homebuyer education.

Staff Recommendation: Full Funding

Date of Meeting: April 14, 2009

Anarde	NSP Funding to Jefferson County	Lucero	Absent
Gregory	NSP Funding to Jefferson County	Rosser	NSP Funding to Jefferson County
Hatcher	NSP Funding to Jefferson County	Weitkunat	NSP Funding to Jefferson County

The Board approved NSP Funding to Jefferson County. The approval of the NSP funding means the approval of the allocation of funds to the specific organization and not necessarily by projects as those are subject to change based on viability.

OTHER BUSINESS

- **Public Housing Agency (PHA) Plan – Teresa Duran and Autumn Gold**
 - The PHA plan is presented annually to show how the Section 8 Housing Choice Voucher Program operates.
 - **All in Favor, Board approved.**
 - **Codes Update – Steve Bernia**
 - There is continued discussion with the Manufactured Housing industry and the Governor's Energy Office (GEO).
 - There is an eight year period for compliance with the State.
 - GEO wants the State to be a leader moving forward in 2009.
 - Four proposals will be provided next week to Kathi and Susan.
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The meeting adjourned at 3:43 pm

MAY APPLICATIONS

**Rocky Mountain Community Land Trust
Scattered Site Homeownership Program**

Project Number: 09-065

Project Manager & Address: Mr. Robert Koenig Jr.
Rocky Mountain Community Land Trust
1212 West Colorado Ave.
Colorado Springs, Colorado 80904
(719) 447-9300 telephone
rfkoenigjr@msn.com email



Property Address: Various in El Paso County

Project Description: Rocky Mountain Community Land Trust (RMCLT) is requesting a grant of \$98,685 to support their on-going scattered-site homeownership program in Colorado Springs and El Paso County through September 30, 2009. These funds will be used to assist with the acquisition of nine (9) properties. Through the Community Land Trust model, the RMCLT acquires and holds title to the land permanently and grants to the homeowner use of the land investment via a 99-year land lease that can be renewed for an additional 99 years. The RMCLT connects with potential homebuyers through the Realtor community, the City of Colorado Springs acquisition/rehabilitation program, and new homebuilders.

PROJECT BUDGET

Project Activities	Total Project Cost	State Funds Requested	Other Funds	Source	Status
Home Mortgages Leveraging Estimate	\$1,900,000		\$1,900,000	Mortgage Lenders	Pending
Property Acquisition	\$292,500	\$98,685	\$144,000 \$40,500 \$4,000 \$5,315	City of CO Springs FHLB-Topeka El Paso County RMCLT Equity	Committed Committed Pending Committed
Home Buyer Counseling	\$1,800		\$1,800	Housing Counseling Agencies	Committed
Project Administration	\$72,000		\$3,420 \$68,580	City of Colorado Springs Lease Fees, Fundraising	Committed Committed
Totals	\$2,266,300	\$98,685	\$2,167,615		

PROJECT ASSESSMENT FOR SINGLE-FAMILY ACQUISITION

Criteria	Project Data	DOH Range
<i>Land Trust Financing</i>		
Number of Proposed Acquisitions	9	
Average Cost of Acquisition (Ground Lease Cost)	\$32,750 (approximately 25% of purchase price)	
DOH funds / Unit	\$10,965	Up to 4.5% - 8.5% of FHA Maximum
Homebuyer Equity	\$1,000	\$1,000 or 1%
Length of Affordability Period	99 years w/ option for additional 99 years	
<i>Market Area Information</i>		
Number of Available Affordable Homes	Approximately 850	
Average Market Price of Homes for Sale	\$203,000	
Average Purchase Price of Homes in Program	Approximately \$130,000 (maximum is \$160,000 with exception of houses built by RMCLT)	
Qualifying Household Incomes (family of 4)	El Paso County: 30% AMI = \$21,250 50% AMI = \$35,400 80% AMI = \$56,650 (28% of RMCLT-assisted households are at less than 50% AMI)	30% - 80% AMI
<i>Program Operations</i>		
Administrative Cost Per Loan	No DOH funds used for program administration	

Comments:

- Management Capacity:**

Pro:

- Since 1996, the RMCLT has used the “Community Land Trust” (CLT) model to assist over 162 households to become homeowners. Twenty-eight percent (28%) of the households in the program are at 50% AMI or below.
- CDOH prior experience with RMCLT grant management has been positive.

Con: None.

- **Public/Private Commitment:**

Pro:

1. The City of Colorado Springs has contributed over \$2,300,000 to assist in the acquisition of properties through the land trust model and also provides funds to support the operations of the RMCLT supportive programs. In addition, El Paso County Housing Authority has contributed over \$850,000 to the land trust model.
2. In addition, Colorado Springs Utilities implements a deferred tap fee program for affordable housing and the City of Colorado Springs waives most development/plan fees for affordable housing.
3. RMCLT receives a \$380 reimbursement from City for pre-purchase support and \$500 reimbursement from FHLB for post purchase support per household served.

Con: None.

- **Market Demand:**

Pro:

1. As housing prices continue to outpace personal income, there will continue to be a need for assistance programs for lower-income households in acquiring homes. The RMCLT model is recognized through the current City of Colorado Springs Comprehensive Plan as one of the methods to assist in lower-income households in achieving homeownership.
2. The planned production for this project is greater than 2008 due to the improvement in the local housing market, our increased community outreach and the federal government \$8,000 first-time homebuyer tax credit. To date in 2009, RMCLT has been a partner in six property transactions. Additionally, we have six families with specific properties in the acquisition pipeline.

Con:

1. The land trust model for home ownership (with the resale restrictions) does not appeal to every potential homebuyer. This limits the number of potential homebuyers interested in the land trust model. The RMCLT completes outreach activities with approximately 40 households for every confirmed land trust homeowner.

Explain variance from the range: None.

El Paso County AMI: \$70,800

Other projects funding in El Paso County since 5/08:

- Rocky Mountain Community Land Trust – CHDO Operating Grant, \$23,500 4/09

Other Rocky Mountain Community Land Trust funded projects since 4/08:

- Rocky Mountain Community Land Trust – CHDO Operating Grant, \$23,500 4/09

Staff Recommendation: Full Funding

Date of Meeting: May 12, 2009

Anarde		Hatcher	
Gregory		Lucero	
Rosser		Weitkunat	